

House File 644 - Reprinted

HOUSE FILE 644

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 510)

(SUCCESSOR TO HSB 133)

(As Amended and Passed by the House May 7, 2013)

A BILL FOR

1 An Act relating to enhanced E911 emergency communication
2 systems, and providing penalties.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 34A.7, subsection 1, paragraph a, Code
2 2013, is amended by striking the paragraph and inserting in
3 lieu thereof the following:

4 a. To encourage local implementation of E911 service, one
5 source of funding for E911 emergency communication systems
6 shall come from a surcharge per month, per access line on each
7 access line subscriber, of one dollar.

8 Sec. 2. Section 34A.7, subsection 1, paragraph b,
9 subparagraph (1), Code 2013, is amended to read as follows:

10 (1) The program manager shall notify a local exchange
11 service provider scheduled to provide exchange access line
12 service to an E911 service area that implementation of an E911
13 service plan has been approved by the joint E911 service board
14 ~~and by the service area referendum~~ and that collection of the
15 surcharge is to begin within sixty days.

16 Sec. 3. Section 34A.7, subsection 5, Code 2013, is amended
17 to read as follows:

18 5. *Use of moneys in fund — priority and limitations on*
19 *expenditure.*

20 a. Moneys deposited in the E911 service fund shall be
21 used for the repayment of any bonds issued for the benefit
22 of or loan made to the joint E911 service board pursuant to
23 sections 34A.20 through 34A.22, and as long as any such bond
24 or loan remains unpaid the surcharge shall not be reduced or
25 eliminated. Moneys deposited in the fund shall be subject to
26 such terms and conditions as may be contained in the relevant
27 bond documents, trust indenture, resolution, loan agreement, or
28 other instrument pursuant to which bonds are issued or a loan
29 is made, without regard to any limitation otherwise provided
30 by law. ~~The surcharge may be increased, but shall not exceed~~
31 ~~the maximum allowed in subsection 1, upon approval of the~~
32 ~~authority upon such terms and conditions as may be contained~~
33 ~~in the relevant bond documents, trust indenture, resolution,~~
34 ~~loan agreement, or other instrument pursuant to which bonds are~~
35 ~~issued or a loan is made, as deemed necessary or prudent by the~~

1 ~~authority to secure repayment and assure marketability or a~~
2 ~~reasonable interest rate.~~

3 b. Moneys deposited in the E911 service fund shall be used
4 for the following, in order of priority if paragraph "a" does
5 not apply:

6 (1) Money shall first be spent for actual recurring costs of
7 operating the E911 service plan.

8 (2) If money remains in the fund after fully paying for
9 recurring costs incurred in the preceding year, the remainder
10 may be spent to pay for nonrecurring costs, not to exceed
11 actual nonrecurring costs as approved by the program manager.

12 (3) If money remains in the fund after fully paying
13 obligations under subparagraphs (1) and (2), the remainder may
14 be accumulated in the fund as a carryover operating surplus.
15 ~~If the surplus is greater than twenty-five percent of the~~
16 ~~approved annual operating budget for the next year, the program~~
17 ~~manager shall reduce the surcharge by an amount calculated to~~
18 ~~result in a surplus of no more than twenty-five percent of the~~
19 ~~planned annual operating budget. After nonrecurring costs have~~
20 ~~been paid, if the surcharge is less than the maximum allowed~~
21 ~~and the fund surplus is less than twenty-five percent of the~~
22 ~~approved annual operating budget, the program manager shall,~~
23 ~~upon application of the joint E911 service board, increase the~~
24 ~~surcharge in an amount calculated to result in a surplus of~~
25 ~~twenty-five percent of the approved annual operating budget.~~
26 ~~The surcharge may only be adjusted once in a single year, upon~~
27 ~~sixty days' prior notice to the provider.~~

28 Sec. 4. Section 34A.7, subsection 7, Code 2013, is amended
29 by striking the subsection.

30 Sec. 5. Section 34A.7A, subsection 1, paragraphs a and b,
31 Code 2013, are amended to read as follows:

32 a. ~~Notwithstanding section 34A.6, the~~ The administrator
33 shall adopt by rule a monthly surcharge of ~~up to sixty-five~~
34 ~~cents~~ one dollar to be imposed on each communications service
35 number provided in this state. The surcharge shall be

1 imposed uniformly on a statewide basis and simultaneously
 2 on all communications service numbers as provided by rule
 3 of the administrator. The surcharge shall not be imposed
 4 on wire-line-based communications or prepaid wireless
 5 telecommunications service.

6 *b.* The program manager shall provide no less than
 7 sixty days' notice of the surcharge to be imposed to each
 8 communications service provider. ~~The program manager, subject~~
 9 ~~to the sixty-five cent limit in paragraph "a", may adjust the~~
 10 ~~amount of the surcharge as necessary, but no more than once in~~
 11 ~~any calendar year.~~

12 Sec. 6. Section 34A.7A, subsection 2, Code 2013, is amended
 13 by adding the following new paragraph:

14 NEW PARAGRAPH. *Ob.* For the three-year period beginning July
 15 1, 2013, and ending June 30, 2016, the program manager shall
 16 allocate thirteen percent of the total amount of surcharge
 17 generated to wireless carriers to recover their costs to
 18 deliver E911 phase 1 services. If the allocation in this
 19 paragraph is insufficient to reimburse all wireless carriers
 20 for such carrier's eligible expenses, the program manager
 21 shall allocate a prorated amount to each wireless carrier
 22 equal to the percentage of such carrier's eligible expenses as
 23 compared to the total of all eligible expenses for all wireless
 24 carriers for the calendar quarter during which such expenses
 25 were submitted. When prorated expenses are paid, the remaining
 26 unpaid expenses shall no longer be eligible for payment under
 27 this paragraph.

28 Sec. 7. Section 34A.7A, subsection 2, paragraph e, Code
 29 2013, is amended to read as follows:

30 *e.* If moneys remain in the fund after fully paying all
 31 obligations under paragraphs "*a*" ~~through, "*Ob*", "*b*", "*c*",~~
 32 ~~and "*d*"~~, the remainder may be accumulated in the fund as a
 33 carryover operating surplus. This surplus shall be used
 34 to fund future network and public safety answering point
 35 improvements, including hardware and software for an internet

1 protocol-enabled next generation network, and wireless
2 carriers' transport costs related to wireless E911 services, if
3 those costs are not otherwise recovered by wireless carriers
4 through customer billing or other sources and approved by the
5 program manager in consultation with the E911 communications
6 council. Notwithstanding section 8.33, any moneys remaining
7 in the fund at the end of each fiscal year shall not revert to
8 the general fund of the state but shall remain available for
9 the purposes of the fund.

10 Sec. 8. Section 34A.7A, Code 2013, is amended by adding the
11 following new subsection:

12 NEW SUBSECTION. 5. *a.* The program manager, in consultation
13 with the E911 communications council and the auditor of state,
14 shall establish a methodology for determining and collecting
15 comprehensive public safety answering point cost and expense
16 data through the county joint E911 service boards. The
17 methodology shall include the collection of data for all costs
18 and expenses related to the operation of a public safety
19 answering point and account for the extent to which identified
20 costs and expenses are compensated for or addressed through
21 E911 surcharges versus other sources of funding.

22 *b.* Data collection pursuant to paragraph "a" shall commence
23 no later than January 1, 2014, and shall be subject to an audit
24 by the auditor of state beginning July 1, 2014. The program
25 manager shall prepare a report detailing the methodology
26 developed and the data collected after such data has been
27 collected for a two-year period. The report and the results of
28 the initial audit shall be submitted to the general assembly by
29 March 1, 2016. A new report regarding data collection and the
30 results of an ongoing audit for each successive two-year period
31 shall be submitted by March 1 every two years thereafter.
32 Expenses associated with the audit shall be paid to the
33 auditor of state by the program manager from the E911 emergency
34 communications fund established in section 34A.7A.

35 *c.* A county joint E911 service board which fails to submit

1 expenses and costs pursuant to the methodology developed
2 pursuant to paragraph "a" by March 31 of each year shall be
3 allocated sixty-five cents out of the one dollar emergency
4 communications service surcharge until March 31 of the
5 following year. Remaining funds shall be held in the carryover
6 operating surplus fund until the expenses and cost report is
7 submitted by the county joint E911 service board. If the
8 county joint E911 service board submits the expense and cost
9 report before March 30 of the following year, the set aside
10 funds shall be provided to the county joint E911 service board.
11 If the county joint E911 service board fails to submit the
12 expense and cost report within one year, funds shall revert to
13 the carryover operating surplus fund and be used in accordance
14 with section 34A.7A, subsection 2, paragraph "e".

15 Sec. 9. REPEAL. Sections 34A.6 and 34A.6A, Code 2013, are
16 repealed.

17 Sec. 10. E911 EMERGENCY COMMUNICATION SYSTEMS —
18 EFFICIENCIES STUDIES.

19 1. The homeland security and emergency management division
20 of the department of public defense shall conduct a study to
21 identify areas in which efficiencies of operations and expenses
22 could be achieved with regard to E911 emergency communication
23 systems at both the state and local level. The division shall
24 submit a report containing the results of the study to the
25 general assembly by July 1, 2014.

26 2. The homeland security and emergency management division
27 of the department of public defense shall conduct a study
28 to review the administration of the enhanced E911 emergency
29 telephone communication system and expenditures associated with
30 maintaining and operating the system commencing July 1, 2013.
31 The study shall include an assessment of the adequacy of and
32 necessity for the one dollar wire-line E911 service surcharge
33 imposed pursuant to section 34A.7 and the one dollar emergency
34 communications service surcharge imposed pursuant to section
35 34A.7A, and a recommendation regarding continuation of the

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1 surcharges at those levels or at a reduced level. The division
2 shall submit a report containing the results of the study to
3 the general assembly by January 1, 2016.